IN THE HIGH COURT OF JUDICATURE AT BOMBAY
O. O. C. J.

SUMMONS FOR JUDGMENT NO.116 OF 2006
IN
SUMMARY SUIT NO.137 OF 2006

Standard Chartered Bank. ...Plaintiff.
Vs.
Hazel Mercantile Ltd. ...Defendant.

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Mr.Zubin Beharamkamdin with Mr. Vivek Vashi i/b. M/s. Amarchand & Mangaldas & Suresh A. Shroff & Co. for the Plaintiff.
Mr.Prateek Sakhseria with Mr. Vivek Kantawala for the Defendant.

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CORAM : DR.D.Y.CHANDRACHUD, J.
4th May 2007.

P.C.:

Counsel appearing on behalf of the Defendant has stated that the same four defences which have been urged in respect of Summons for Judgment 371 of 2006 are urged in these proceedings. Reasons have already been furnished in the order passed in Summons for Judgment 371 of 2006 for rejecting the defences, save and except on the question of interest. The only additional defence here is, that a compromise was entered into by the Defendant with the drawer of the Bills of Exchange, in pursuance of which the Reserve Bank of India permitted the Defendant to set off, the amount due and payable to the drawer of

the Bills of Exchange (Ransat PLC) against the amounts which were receivable from the foreign party. The compromise, if any, between the Defendant and the drawer of the Bills of Exchange cannot operate to the prejudice of the rights of the Plaintiff as payee of the Bills of Exchange for consideration. There is no merit in the additional defence.

Hence the following order:

(i) Conditional on the Defendant depositing the equivalent in Indian rupees of an amount corresponding to US $ 43,520.00 (being the principal amount due under the Bills) within a period of eight weeks from today, the Defendant would be entitled to leave to defend the suit in so far as the claim to the principal amount due under the Bills is concerned;

(ii) Upon deposit of the aforesaid amount, the Plaintiff would be entitled to withdraw the amount so deposited, subject to furnishing solvent security to the satisfaction of the Prothonotary & Senior Master;

-(iii) In the event that the Plaintiff fails to furnish solvent security to the satisfaction of the Prothonotary & Senior Master within 12 weeks from the date of deposit, the amount shall be invested in a Nationalized Bank to abide by the result of the suit;

-(iv) The Defendant is granted unconditional leave to defend the suit on the question of interest.

The Summons for Judgment is disposed of.

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